

## What To Do About Withholding Adjustments -- W2Cs

Colorado Department of Revenue policy regarding W2C statements conforms to the policy outlined by the Internal Revenue Service [IRS regulation §31.6051-2(b)]. It stipulates that all corrected W2 forms shall be submitted on or before the due date of the original W2 informational returns. Said due date for Colorado is the last day of February of the year following the taxable period. The Colorado Department of Revenue will not honor any W2C filed after the due date.

Generally, errors found on previous remittance returns should be corrected during the period in which the error is identified. For example, if you made an error reporting wage withholding tax on your second quarter 2004 "[Form DR 1094 "Income Tax Withholding Return"](#)" and discovered the error in December 2004, correct the error by making an adjustment on your fourth quarter 2004 for 1094. The adjustment that increases or decreases your tax liability for the quarter in which it is discovered and reported is interest free. **Such adjustments can only be made within the same calendar year.** You are required to attach a statement to the adjusting return that states:

- What the error was
- The quarter in which the error was made
- The amount of each error
- The date on which the error was discovered
- An employee affidavit consenting to the refund or credit for the employer of any over-collection, and that they will not claim a refund or credit of such for personal income tax purposes

Keep in mind that the department **will** accept W2C forms to correct an erroneously reported Social Security Number or account number.